The field of activities that may properly be designated as NRC's is limited because the manual labor involved in constructing and maintaining the actual equipment (i.e., switches, copper or fiber loops, network interface devices ("NIDs") and telephone poles) is capital investment paid for through recurring rates.

One significant flaw in BA-NY's model is that it needlessly introduces manual steps where automated processes are readily available, more efficiently and less costly.

Q. **PLEASE PROVIDE AN EXAMPLE OF WHERE BA-NY HAS MANUAL STEPS THAT ARE UNNECESSARY**

A. Examples of where BA-NY's cost study has manual tasks that are unnecessary or overreaching are numerous. For instance, CLEC's can engage in the preordering and ordering processes through electronic gateways to BA-NY's OSS in much the same way that BA-NY's retail service agents do. While each company must bear the cost of paying employees to transmit identifying information into the OSS, the *non-recurring* cost of the data flowing electronically through the systems is zero. Nevertheless, BA-NY repeatedly has reflected substantial manual labor costs for the TISOC workgroup to review and correct service requests. In some

instances, BA-NY has included as much as 160 minutes[78] of manual labor per order, when the actual task would be performed by the OSS itself or manual labor would be required simply to reject the order back to the CLEC. That would never take almost three hours to complete. In the forward-looking model the OSS identifies the error and generates a message that can be sent to the CLEC like e-mail indicating that BA-NY cannot complete the request. CLECs need to know when errors occur in order to correct *their* work processes. Having BA-NY retype the order and risk making additional errors is not efficient, and CLECs should not have to pay for it.

Q. IF BA-NY IS EXPERIENCING THIS LEVEL OF MANUAL INTERVENTION TODAY BY PROCESSING CLEC SERVICE REQUESTS, WHY SHOULDN'T IT ASSUME THAT FOR ITS MODEL?

A. There is no real-world basis for BA-NY to assume all of this manual intervention. The CLECs are sophisticated telecommunications carriers, who have every commercial interest in presenting service order information to BA-NY electronically on a schedule, in a format and with accuracy to achieve the highest possible level of flow-through. CLECs will issue orders, which are passed through a gateway into BA-NY OSSs. OSSs are designed to interpret this

[78] See Work paper A, Tab 30, TISOC Activity Description #1 as an example.

information and construct a service request that will flow throughout the OSS network. Today in the retail environment within BA-NY, OSS are able to detect service order errors and electronically return the order to the originator. This electronic error detection and distribution eliminates the need to "manually" receive the request, print it, review it, make corrections and then refer it back to the originator. BA-NY's refusal to assume similar processes for CLECs violates the FCC requirement of efficient, cost-based rates, and is yet another reason to reject BA-NY's NRC model.

Q. CAN THE AMOUNT OF CLEC SERVICE ORDERING FALLOUT REFLECTED IN BA-NY'S COST STUDY BE DETERMINED?

A. Yes, although not easily. To determine the amount of service order fallout BA-NY has assumed, you need to multiply the "Connect Typical Occurrence" percentage and the "Connect Forward Looking Adjustment" together to determine the fallout percentage.

As an example, the TSIOC workgroup task #1 for a two wire loop, has a Connect Typical Occurrence of 38%, which indicates a 38% fallout rate. However the forward looking adjustment is set to 68%. When these percentages are multiplied together the result is 25% fallout rate. Or

simply put 1 in 4 orders (for a two wire loop) will have errors on them which BA-NY will elect to correct and process themselves without returning them back to the CLEC for correction.

BA-NY 's assumption is way out of line, and will have perpetuating consequences on future modifications to the same accounts. If the CLEC made a mistake, the CLEC needs to know the error to correct its own databases and procedures. One could only assume that if 25% of the orders are being returned to the CLEC for correction then the CLEC will take action to eliminate this sort of inefficiency. Like BA-NY, CLECs have every interest in delivering services to their customers in the most efficient cost effective manner.

Q. IS SERVICE ORDER FALLOUT ONLY DETECTED BY THE TISOC WORKGROUP?

A. No. BA-NY has assumed significant amounts of the manual labor in its NRCs attributable to system processing fallout in virtually every department.

Q. PLEASE GIVE SOME EXAMPLES OF ACTIVITIES THAT RESULT IN SERVICE ORDER FALLOUT.

The MLAC activities occur when service orders entered into BA-NY's OSS fail to assign the necessary network inventory

to the request the results of which are considered fallout. This produces a "request for manual assistance" (RMA), which indicates, that this order need manual attention. However, any department that interfaces with the service request may in fact change the status of an order to one that needs manual attention. This process is commonly referred to as the jeopardy process and the order is electronically routed to the responsible group for resolution. As an example, when the FRAME technician encounters an assignment of defective facilities, he/she would access the OSS and change the order to a jeopardy status, referring it back to the MLAC for resolution. In turn, the MLAC would perform a database maintenance task indicating the defective equipment and the OSS would make a new assignment for the order automatically. This process eliminates the need for costly manual phone calls to the appropriate departments.

Q. IS IT EVIDENT IN THE BA-NY COST STUDY THAT THE JEOPARDY PROCESS IS BEING FOLLOWED?

A. No. What is evident in BA-NY's cost study is that BA-NY technicians are manually contacting other departments (possibly by phone) and referring problems to the RCCC/RCMC. It appears that once this happens, the RCCC/RCMC contacts yet another department to have the

problem fixed. Such tasks as the RCCC/RCMC "contact CPC to resolve design problems" is a step that could utilize this process. Its extremely unlikely that the RCCC/RCMC would know that a design problem existed on the order. It demonstrates further that the cost study does not reflect most efficient method of error resolution.

Taking a closer look at this activity itself, it demonstrates yet another task that should be classified as a recurring activity. The OSSs are responsible for determining proper circuit design, and when they (the OSS) fail, it happens because of faulty data in the ILEC databases. In other words, the OSS programs assign network inventory from the databases as directed on the service request. Thus, resolution would involve a database maintenance task, which should not be recovered in recurring rates through NRCs.

Q. IN YOUR OPINION ARE THE LEVELS OF SERVICE ORDERING FALLOUT APPROPRIATE FOR A FORWARD-LOOKING COST MODEL?

A. No. The levels of manual intervention indicated for the TISOC workgroup have two basic flaws. First, the forward-looking occurrence can only be obtained by combining the typical occurrence percentage with the forward-looking adjustment. Therefore the level of fallout is not obvious.

The second flaw is that BA-NY assumes it will correct and manually create the request in its system. This assumption is again wrong as noted above. As the OSS attempts to create the order and encounter an error, the OSS should be instructed to return that error back to the originators, the CLECs.

Q PLEASE EXPLAIN THE PROCESS BY WHICH A CLEC PLACES AN ORDER AND FALLOUT WILL OCCUR.

The process involves three primary functions; pre-ordering, ordering, and provisioning. Its conceivable that during some of the functions there may be fallout attributable to the CLEC.

The Pre-ordering process involves an electronic exchange of information or an inquiry into BA-NY's database. There would be no fallout during this process. BA-NY appears to agree in principle with this because it did not include any in its study.

The Ordering process involves the placement of information on an electronic request. BA-NY has specific rules regarding the format (which forms to use) and the data contained on those forms. Here the CLEC is acting like an agent of BA-NY. In theory, if a CLEC wishes to place an

order, it must follow the same ordering rules as do the Customer Service Representatives (CSR) of BA-NY's business offices. If the service request is incomplete or contains errors in format or content, the OSS should reject the request back to the CLEC. The process for BA-NY is (in theory) the same. If the CSR includes incomplete data or contains errors in format or content, the order will be rejected back to the CSR.

ILECs have argued that CLEC orders may include situations (such as errors) detected by the OSS for which the resolution process will involve the ILEC's correction of information so that the order can continue through the provisioning process. However, this assumption should not be allowed. Instead, when this condition happens the order should be rejected back to the CLEC for correction. In theory, If the OSS can detect the error situation, then the OSS, should be able to automatically reject the order with the appropriate error message back to the originator for correction. Therefore, the appropriate level of Ordering process fallout (represented as a percentage) should be minimal. Plainly, it should not exceed 2%, and the time required to resolve this error condition should only include enough time to construct the appropriate

message to be returned back to the CLEC for correction. The average time required for this task should not exceed 15 minutes.

Additionally, BA-NY asserts that requests for more than a specific number of facilities need to be detected by the OSS so that BA-NY can alert various departments of the pending request. This is not a valid TELRIC NRC because a primary principle of TELRIC is that all demand will be accounted for (i.e., Total, the first word in TELRIC). Therefore, it is inappropriate to collect a fee to insure that a request can be fulfilled. Imagine a company placing a large order for office supplies with a vendor and this vendor says "there will be an extra charge to see if I can fulfill the request." It's ridiculous. However, this is the exact approach BA-NY has proposed. Determining where facilities are needed is an operational expense that will benefit BA-NY to meet its demand and the cost of which is recovered in the recurring rates.

The Provisioning process includes the assignment and the fulfillment of the request. The type of processing fallout attributed to CLEC information on the request again should be minimal. If the CLECs information (data) is incorrect,

the order needs to be returned back to the CLEC for correction.

If the OSS cannot process (provision) the request automatically because of the complexity of the request, the CLEC should be assessed a NRC only if BA-NY can demonstrate exactly why it cannot process the request. BA-NY has made no such demonstration. Instead, it has identified conditions that appear to benefit BA-NY.

For instance, in the 2wire loop, BA-NY's CO-FRAME task #18[79] does not suggest why the CLEC is responsible for this situation. Instead, it appears to be an internal exchange of communication between BA-NY's technicians in identifying where the problem may be, such as the CO-FRAME may not have wired the correct cable pair.

[79] CO-FRAME Task #18 ""If a problem occurs, resolve the problem with field installation technicians and the RCCC to insure that the CLEC can reach its end-user at the time of installation"

Detailed Examples Of BA-NY's Overstatement Of Fallout And Manual Intervention.

Q. USING BA-NY'S COST STUDY, CAN YOU PLEASE PROVIDE AN EXAMPLE OF DETAILS DEMONSTRATING WHERE BA-NY HAS NOT REFLECTED THE PROPER PRINCIPLES YOU HAVE ARTICULATED IN YOUR TESTIMONY.

A. Below is an extract from BA-NY's NRC cost study of the Interoffice DS1 element (tab 24). We have eliminated certain rows where BA-NY has indicated that the tasks are "NA".

24 IOF DS-1

		CONNECT			
Line	ACTIVITY DESCRIPTION	Connect Time (minutes)	Connect Typical Occur'nce	Connect Forward Looking Adjustmt	Connect Forward Looking Time (minutes)
A	B	C	D	E	F=C*D*E
	TISOC				
1	Receive Local Service Request (LSR) from the CLEC and print, review, type and confirm the order request for new installation and/or account.	160.00	56%	95%	85.12
2	Receive Local Service Request from the CLEC and print, review, type and confirm the order request for changes in existing account.	20.00	39%	0%	0.00
3	Respond and/or change CLEC's pending Local Service Request.	60.00	5%	5%	0.15
4	**TOTAL**	**240.00**			**85.27**
5	**EXPEDITE Total**				**85.27**

Problems:

TISOC Task number 1 represents the time to receive the request and to manually enter the request into the BA-NY OSS. In today's environment BA-NY has only indicated that 56% of the requests will require manual assistance. This means 44% will be correctly formatted and the OSS will allow them to flow through. What is apparent is that the current ordering procedures and OSS have the proper methods in place and program code to process 44% of the orders without the assistance of the TISOC.

BA-NY is indicating by the "95% forward looking adjustment" that they anticipate a forward looking improvement of 5% in processing of these requests. Nowhere has BA-NY substantiated why these orders cannot all automatically be processed by the OSS. One can only assume that the complexity of this type of request warrants manual intervention. What is more disturbing is that in **Task #2,** even though 56% of the requests will require manual intervention (from Task #1), somehow the CLECs will have all the proper information on the request to achieve 100% process improvement. The 100% process improvement is the net result of combining the current 39% with the 0% forward looking adjustment.

Moreover, the time to format an error condition response to be returned to the CLEC for correction is way out of line. BA-NY indicates that it will require more than 2 1/2 hours (160 minutes) of resolution time. Yet, it strains credibility to suggest that a single DS-1 request could have such complexity requiring this much time to process. Consequently, we can only assume that BA-NY will be formatting the request in such a way as to allow processing to continue. Nowhere have they indicated that the information is returned back to the CLEC for correction. Combine this with the fact that by **task # 2** the CLEC will have all of the proper information for processing changes, this shows that something is wrong with these numbers.

Task # 3 is also puzzling. This task represents that currently once an order has been processed, subsequent changes to the same request will result in error 5% of the time. If 56% of the orders will require manual processing because of their complexity, a likewise percentage of changes to the same request will also produce the same problems. BA-NY fails to address how the CLEC will have known to correct all of the format errors or include all of the proper combinations of data to allow changes to the request to process automatically with such a high rate of

flow-through (95%). Even more puzzling is that the forward looking adjustment of 5% nets a flow-through rate or 99.75% flow-through for changes to pending request. How can the CLEC be so way off in their initial request but yet so accurate with their changes? Again, this demonstrates that BA-NY's cost study is plagued with inconsistencies that preclude verification.

24	IOF DS-1	CONNECT			
Line	ACTIVITY DESCRIPTION	Connect Time (minutes)	Connect Typical Occur'nce	Connect Forward Looking Adjustmt	Connect Forward Looking Time (minutes)
A	B	C	D	E	F=C*D*E
	RCCC/RCMC				
1	Access WFA/C to begin coordination process. (Screener)	2.00	100%	50%	1.00
2	Analyze order for work activity. (Screener)	2.00	100%	100%	2.00
5	Assign order to Technician. (Screener)	5.00	100%	50%	2.50
6	Perform administrative checks.	15.83	100%	50%	7.92
7	Contact CPC to resolve design problems.	21.36	20%	100%	4.27
8	Verify circuit is wired on FCD (Frame Continuity Date) and send WFA/C, WFA/DI ticket to CO for wiring discrepancies.	23.08	100%	50%	11.54
15	On plant test date, verify circuit for continuity and DD circuit is turned up to CLEC.	27.50	100%	100%	27.50
16	Notify CLEC of line/circuit completion.	14.75	100%	50%	7.38

26	Complete the order.	5.83	100%	100%	5.83
28	If CLEC is not ready, JEP/MFC will be placed in WFA/C & completion rescheduled when firm DD is received.	11.83	10%	50%	0.59
39	**TOTAL**	**136.38**			**70.53**
40	**EXPEDITE Total**				**70.53**

Problems:

RCCC/RCMC Task # 1 represents the time to begin the coordination process. BA-NY, however, provides no support for why this task is necessary. It would appear that it's performed in part or after Task #2. The forward looking adjustment of 50% indicates that some process improvement in (WFA/C) will negate the coordination involvement. In other words, improvements to WFA/C will allow that system to recognize that no coordination is required.

RCCC/RCMC Task # 2 BA-NY indicates that this task is always necessary. The forward looking adjustment of 100% indicates too that it will always be necessary.

RCCC/RCMC Task # 5 is puzzling because today it's a completely manual task and the forward looking adjustment indicates an OSS improvement of 50%, which indicates that this task will be automated in part. Yet, why it will still be necessary to manually assign a technician to the work on 50% of the orders? We understand that WFA/DI and WFA/DO systems currently have the ability to assign this

work automatically. Today, these systems analyze the information on the request and notify technicians of pending work. Since BA-NY has failed to substantiate why the systems will only be able to handle 50% of the requests, this task must be eliminated.

RCCC/RCMC Task # 6 represents internal administrative checks which BA-NY indicates is completely manual today. It is not clear what these tasks involve, in any event the CLEC's should not be assigned costs for internal administrative functions. These types of costs are recovered in operational overheads (expenses), and should be eliminated in the NRC study.

RCCC/RCMC Task # 7 is the result of BA-NY's inability to correctly provision the request (e.g., resolve design problems). In no way should the CLEC pay for the mistakes of BA-NY's systems or personnel. If the request itself has been incorrectly ordered, it will need a subsequent correction to correct the data on the order. As noted above, this is accomplished by putting the order in jeopardy. Accordingly, this task should be eliminated.

RCCC/RCMC Task # 8 again points to internal problems of BA-NY's work forces and in no way should be attributed to the CLEC. It should not be considered as a valid NRC and BA-NY's claimed NRC cost should be rejected.

RCCC/RCMC Task # 15 is another internal administrative task which is nothing more than verifying that BA-NY's work forces have performed the work as indicated on the request. Its an administrative expense recovered in the recurring rates. The 27 minutes seems to be an exceptionally high amount of time(100% of the time) to verify through the OSS that each department has done what it was instructed to do.

RCCC/RCMC Task # 16 is unnecessary. When the order is complete, a completion is entered into the OSS and the OSS will notify the CLEC that the work is done.

RCCC/RCMC Task # 26 is a valid task only when there is manual work. When orders are processed without the need of any manual work activity, the OSS can recognize this and complete the order automatically.

RCCC/RCMC Task # 28 is necessary when conditions in the provisioning request indicate that the CLEC is not ready and the order must be placed into jeopardy. BA-NY's time estimate is without merit because it involves nothing more than specifying the order identification number, and the reason why the ILEC is placing this order in jeopardy. Moreover, we can only assume that the reason for the forward looking adjustment reduction is attributed to the CLEC being able to meet the request and not to system or process improvements.

24	IOF DS-1	CONNECT			
Line	ACTIVITY DESCRIPTION	Connect Time (minutes)	Connect Typical Occurrence	Connect Forward Looking Adjustmt	Connect Forward Looking Time (minutes)
A	B	C	D	E	F=C*D*E
	CPC - Specials				
1	Receive request for service and access TIRKS to initiate work and make a final assignment of network facilities.	27.36	100%	67%	18.33
2	Release order from TIRKS to WFA for coordination and dispatch.	7.73	100%	100%	7.73
3	TOTAL	35.09			26.06
4	EXPEDITE Total				26.06

CPC - Specials Task # 1 BA-NY claims this is required today to finalize the assignment of network facilities. By its forward-looking adjustment, BA-NY is indicating that its OSS will be able to finalize the assignments 33% of the time without the needed manual intervention. This indicates two things: first, the OSS is sophisticated enough to interpret the request, and second, it is able to associate network inventory to the request itself. Yet, with its TIRKS system, today, this type of request will flow-though if the inventory is in place. Therefore, the resolution process is identifiable to performing database maintenance

functions of adding the appropriate routing information to BA-NY's inventory, the cost for which should not be recovered in the NRC's. Once the inventory is added, it becomes available to BA-NY to assign to its own customers. It was only the CLEC's request that highlighted the fact that it wasn't in the inventory. Only if BA-NY can prove that this task will only provide a benefit to the CLEC, should it be allowed to recover the efficiently incurred labor cost as an NRC. Adding inventory is a maintenance function recovered in the database maintenance expense. **CPC - Specials Task # 2** appears to be an ambiguous, unnecessary step. It appears that BA-NY has chosen to review each order before it is distributed to the WFA/C system. Its sort of like checking to see if the OSS made the correct assignments. This function should be automated in the forward-looking network construct. Prior panel experience at Bellcore with these type of requests (service orders for DS-1 IOF facilities) demonstrated the automatic flow-through TIRKS to WFA/C without any manual intervention. Granted, these requests were not specific to a new entrant (CLEC); however, they represented a DS1 IOF circuit which was handled correctly by the TIRKS system.

24	IOF DS-1	CONNECT			
Line	ACTIVITY DESCRIPTION	Connect Time (minutes)	Connect Typical Occur'nce	Connect Forward Looking Adjustmt	Connect Forward Looking Time (minutes)
A	B	C	D	E	F=C*D*E
	CO FRAME				
2	Retrieve FOMS/TIRKS output (paper copy) and verify the information that was provided by the RCCC.	5.98	100%	100%	5.98
4	Travel to remote/unmanned central office for the purpose of performing frame provisioning work.	26.43	25%	100%	6.61
9	Confirm the assignment by verifying that the assignment is correct. Take appropriate steps to resolve discrepancies.	7.06	75%	100%	5.30
14	Place cross connection(s) (including intermediate tie pairs) by connecting CLEC (port) and BA equipment.	4.57	100%	100%	4.57
23	Report completion of frame work and documents to the RCCC via FOMS/TIRKS.	2.72	100%	100%	2.72
29	TOTAL	46.77			25.18
30	EXPEDITE Total				25.18

Problems:

The actual Interoffice (IOF) DS1 (as this element suggests) is a connection between the CLEC collocation equipment and the ILEC interoffice facilities which ride on fiber (SONET) paths between offices.

The SONET fiber ring assumes DCS technology which includes 3/3 DCS/EDSX and/or 3/1 DCS dropping from SONET ring via the ADM. This technology would allow the OSS to make electronic cross-connections to CLEC DS1 equipment at a

CLEC collocation cage. These are the electronic connections between high-speed and low-speed multiplexers which are needed to reach the DS1 level. When these electronic cross-connections are made, no manual labor is need by central office technicians.

Rather than modeling the current capabilities of the forward-looking network construct, BA-NY has chosen to model a more manual intensive method of interconnection. The connections to interoffice facilities are manually placed at DSX type bays and will require frame personnel to complete the task. If BA-NY was connecting interoffice facilities for itself, it undoubtedly would use the more efficient means discussed above. Therefore all of the CO-FRAME tasks listed are not necessary and should be rejected.

Q. IS THE LEVEL OF FALLOUT IN BA-NY'S STUDY CONSISTENT WITH INDUSTRY STANDARDS?

A. Although BA-NY does not specifically state the level of fallout, the forward-looking percentages suggest that certain activities will be the result of fall-out at levels much higher than what we have seen or would expect from a forward looking network. For instance, the CPC work

activities on Work Paper A, Tab 24, DS1 IOF, task 1 will be required 67% of the time. This essentially means 33% of the orders for this type of element will flow though and require no manual intervention. The CPC like the MLAC provides assignment functions to the provisioning process. The 33% of orders that flow through essentially means BA-NY had the necessary inventory (data) to provision the request. The OSSs that they (CPC) manage, track interoffice facilities among other things, and we see no reason for this level of fallout, nor do we consider it to be consistent with the levels of fallout we would expect from properly maintained systems. Interoffice facilities, once entered into the OSS become part of assets (data) necessary to support BA-NY's network. Even though BA-NY may encounter this level of fallout, the resolution process may involve adding or correcting the inventory in its database. Therefore, the classification of cost to resolve the fallout is recurring because this inventory now becomes available for BA-NY to use for its own customers.

Summary Of BA-NY's Claimed NRC Costs.

Q. PLEASE SUMMARIZE YOUR REVIEW OF BA-NY'S NRC COST MODEL AND ITS CLAIMED NRC COSTS.

A. Throughout this testimony, we have articulated the modeling principles that are consistent with the Act and which comply with FCC requirements. In order for a cost study to produce TELRIC NRCs, it must begin with the same forward-looking network model used to model recurring costs. The model must develop prices at the same level that an efficient ILEC operating in a competitive environment would charge, using the most efficient technology and processes available today under the forward-looking network construct. As such, NRC prices will compensate the ILEC *only* for the efficient costs that it would incur under the forward-looking network construct and would not obligate CLECs to compensate ILECs for costs stemming from any past or embedded inefficiencies. All non-recurring cost elements must involve activities associated with the pre-ordering, ordering and provisioning processes that only benefit the customer placing the order (i.e., the CLEC). For all of the reasons demonstrated above, BA-NY's NRC cost study fails to satisfy these requirements.

Moreover, an NRC cost model must assume a level of automated service ordering processing consistent with the high degree of OSS mechanization, currently found within the industry today. It must also recognize that ILEC departments interact with these systems and properly classifies the work activities. If the OSS interaction produces a benefit to the ILEC, the model must classify that activity as a recurring cost to be shared and recovered by all users of the network. The Cost Model must also identify manual work times that reflect appropriate intervals based on the use of forward looking network technologies. It should incorporate the efficiencies of automated Intelligent Network Elements found in recurring cost studies (SONET, TR-303/IDLC, DCS/EDSX, LDS, etc.) which provide for maximum electronic flow through for provisioning of orders. Finally, a proper NRC Model must calculate separately the installation and disconnection service order request and recognizes that the new entrants should not pay for disconnection unless they order the facilities to be physically disconnected. As shown above, BA-NY's NRC model fails to satisfy each of these requirements as well. Consequently, BA-NY's claimed NRC costs must be rejected.

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9 **XIII CONCLUSION**

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11 **Q. PLEASE SUMMARIZE YOUR PANEL REPLY TESTIMONY.**

12 A. For all of the reasons shown in this reply testimony, BA-
13 NY's claimed UNE costs should be rejected. ATTACHMENT 29
14 to this reply testimony is a summary of our restatement of
15 BA-NY's cost study for those items that we have addressed
16 specifically in the testimony. ATTACHMENT 29 includes in
17 electronic form all of the calculations and workpapers
18 underlying our restatement.[80] While we obviously have not
19 been able to examine and evaluate thoroughly *each* one of
20 BA-NY's individual claimed costs, our analysis as reflected
21 in this testimony and our restatement demonstrates
22 conclusively that BA-NY's claimed costs are substantially
23 inflated on an across-the-board basis. Consequently, BA-

[80] We are treating certain of the transport cost workpapers as containing **CONFIDENTIAL BA-NY AND BA-NY THIRD PARTY VENDOR CONFIDENTIAL DATA.**

NY's cost claims should be rejected on an across-the-board basis.

Q. DOES THIS CONCLUDE YOUR PANEL REPLY TESTIMONY?

A. Yes. We note that the reply testimony of John I. Hirshleifer on cost of capital and Richard B. Lee on depreciation on behalf of AT&T and WorldCom Inc. accompanies this panel reply testimony.